72-302

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IN THE

Supreme Court of the United States

October Term, 1972

No. 72-302

PICTURE MUSIC, INC.,

Petitioner,

vs.

BOURNE, INC.,

Respondent.

Petition for a Writ of Certiorari to the United States Court of Appeals for the Second Circuit.

MELVILLE B. NIMMER,
450 North Roxbury Drive,
Beverly Hills, Calif. 90210,
(213) 274-8011,
(213) 825-4685,
Attorney for Petitioner.

KAPLAN, LIVINGSTON, GOODWIN,
BERKOWITZ & SELVIN,
M. WILLIAM KRASILOVSKY,
MILTON ROSENBLOOM,
Of Counsel.

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PICTURE MUSIC, INC.,

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vs.

BOURNE, INC.,

Respondent.

Petition for a Writ of Certiorari to the United States Court of Appeals for the Second Circuit.

Picture Music, Inc. prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Second Circuit, entered in the above-entitled case on April 3, 1972.

Citations to Opinions Below.

The opinion of the District Court, printed in Appendix B, *infra,* is reported in 314 F.Supp. 640. The opinion of the Court of Appeals, Appendix C, *infra,* is reported in 457 F.2d 1213.

Jurisdiction.

The judgment of the Court of Appeals was entered on April 3, 1972. A petition for rehearing was duly filed, and was denied on May 25, 1972, Appendix D, *infra.* The jurisdiction of this Court is invoked under 28 U.S.C. Section 1254(1).

Question Presented.

Whether Ann Ronnell, Petitioner's assignor, who, acting in the capacity of an independent contractor composed lyrics and music for the song entitled "Who's Afraid of the Big Bad Wolf", may be denied the right to renewal copyright in said song on the ground that an independent contractor relationship is a "for hire" relationship within the meaning of 17 U.S.C. Section 24.

Statute Involved.

The statutory provision involved is Section 24 of the Copyright Act, 17 U.S.C. Section 24. It is printed in Appendix A, *infra.*

Statement of the Case.

Petitioner filed an action in the Supreme Court, State of New York, County of New York, seeking *inter alia* a declaration of its joint ownership in the song "Who's Afraid of the Big Bad Wolf" (hereinafter referred to as "said song") during the renewal copyright term thereof. Said ownership was said to derive from Petitioner's rights as assignee of Ann Ronell. The cause was removed to the United States District Court for the Southern District of New York, where the Respondent filed a counterclaim for copyright infringement. The jurisdiction of the District Court was invoked pursuant to 28 U.S.C. Section 1338(a) and 17 U.S.C. Sections 1 and 101.

In May, 1933, Walt Disney Productions, Inc. released an animated cartoon entitled "The Three Little Pigs." The film contained a musical score which both Disney and Irving Berlin, Inc., Respondent's predecessor in interest, believed could be developed into a

popular song. With this in mind, a representative of Berlin asked Ann Ronell, a recognized composer of a number of popular songs, to write a popular song using the said musical score as a basis thereof. Miss Ronell performed as requested, although neither Disney nor Berlin contractually obligated themselves to pay for such services or to accept and publish the resulting song. Neither Disney nor Berlin had a contractual right to direct and supervise the manner in which Miss Ronell performed, nor did either in fact exercise any such direction or supervision. The resulting song, was accepted by Disney and Berlin. Disney granted to Berlin all rights in the song in return for a royalty paid by Berlin to Disney accruing from the exploitation of said song. Disney in turn agreed to pay a royalty to Miss Ronell for the use of her contribution in said the said song. Berlin obtained a copyright in said song.

Under Section 24 of the Copyright Act (17 U.S.C. Section 24) (Appendix A *infra*) the term of copyright in a work is for 28 years, with provision for renewal for a second 28 years. Subject to certain exceptions (specified in the first "Provided" clause of Section 24), the author is entitled to the renewal copyright for the second 28 years. If work falls under one of the said exceptions, then the proprietor of the work at the time of renewal, and not the author, is entitled to claim the renewal. One of the said exceptions is "any work copyrighted . . . by an employer for whom such work is made for hire . . ."

At the time for renewal of the copyright in the said song, Miss Ronell duly filed a claim for renewal therein as a joint author thereof. She subsequently assigned such renewal copyright to Petitioner. Respond-

ent, as successor in interest to Berlin, claimed exclusive ownership of the renewal copyright in said song.

The United States District Court held for Respondent on certain grounds expressly not adopted by the Court of Appeals on appeal.* The Court of Appeals affirmed the District Court judgment on a ground not relied upon by the District Court. Specifically, the Court of Appeals held that the "for hire" clause of Section 24 of the Copyright Act was applicable even though Miss Ronell rendered her services in writing the said song as an independent contractor. The Court of Appeals concluded: "That she acted in the capacity of an independent contractor does not preclude a finding that the song was done for hire." (457 F.2d at p. 1217). Since the Court of Appeals found the "for hire" clause applicable, it concluded that the proprietor of the copyright at the time for claim of renewal, *i.e.*, Respondent, was entitled to the exclusive right to claim such renewal. The only issue presented at this time is, then, as to whether the Court of Appeals erred in treating independent contractors as if they are employees for purposes of the said "for hire" clause.

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*See footnote p. 13 *infra*.

REASONS FOR GRANTING THE WRIT.

1. The Court of Appeals' Decision Is in Conflict With the Rationale of the Renewal Provision of the Copyright Act.

The basis for the renewal concept in the present Copyright Act was stated by the House Committee reporting out the measure as follows:

> "It not infrequently happens that the author sells his copyright outright to a publisher for a comparatively small sum. If the work proves to be a great success and lives beyond the term of twenty-eight years, your committee felt that it should be the exclusive right of the author to take the renewal term, and the law should be framed as is the existing law, so that he could not be deprived of that right." H.R. Rep. No. 2222, 60th Cong. 2d Sess., p. 14.

In construing the renewal provision, the Court of Appeals for the First Circuit stated: "There are at least sentimental reasons for believing that Congress may have intended that the author, who according to tradition receives but little for his work, and afterwards sees large profits made out of it by publishers, should later in life be brought into his kingdom." *White-Smith Music Publishing Co. v. Goff*, 187 Fed. 247, 251 (1st Cir. 1911). The Court of Appeals for the Fifth Circuit observed: "The second period is intended not as an incident of the first for the benefit of the then owner of the expiring copyright, but as a second recognition extended by the law to the author of the work that has proven permanently meritorious . . ." *Harris v. Coca-Cola*, 73 F.2d 370, 371 (5th Cir.

1934). In the leading case construing Section 24 (then denominated Section 23) of the Copyright Act, *Fred Fisher Music Co., Inc. v. M. Witmark & Sons,* 318 U.S. 643, 653-4, 87 L.ed. 1055, 1062 (1943), this Court stated: "By providing for two copyright terms, each of relatively short duration, Congress enabled the author to sell his 'copyright' without losing his renewal interest." For a further exploration of the rationale underlying and justifying a "second chance" for authors and composers see *Nimmer on Copyright,* §113 (1972).

An exception to the policy of granting authors a right to claim renewal copyright in their works was carved out under the first "Provided" clause of 17 U.S.C. Section 24 whereby an employer or his assignee and not the original author is entitled to claim renewal if copyright in the work "was originally secured . . . by an employer for whom such work was made for hire . . ." The justification for this incursion into the author's rights may lie in the nature of the employment for hire relationship within the copyright context. It is generally agreed that "an essential element of the employer-employee relationship [is] the right of the employer to 'direct and supervise the manner in which the writer performs his work' (see Nimmer, Copyright, §62.31 (1964) . . ." *Donaldson Publishing Co. v. Bregman, Vocco & Conn, Inc.,* 375 F.2d 639, 643 (2d Cir. 1967). An employer who "directs[s] and supervise[s] the manner in which the writer performs his work" is himself in a sense thereby making a contribution of authorship and may thus justify the Congressional conclusion that, on balance, the employer in such circumstances is entitled to claim the renewal copyright in the work.

Whatever the justification for this rationale in the true employment for hire relationship, it clearly does not justify depriving an independent contractor of his right of renewal where by hypothesis, the party commissioning the independent contractor has made no such authorship contribution either by direction or by supervision. The Court of Appeals' opinion in the instant case addressed this point by stating:

> ". . . since Disney had control of the original song on which Miss Ronell's work was based, Disney (and Berlin, with Disney's permission), at all times had the right to 'direct and supervise' Miss Ronell's work [457 F.2d at p. 1216] . . . They controlled the original song, they took the initiative in engaging Miss Ronell to adapt it, and they had the power to accept, reject, or modify her work." [457 F.2d at p. 1217].

It is submitted that the above does not constitute an authorship contribution of "direction and supervision" which justifies a claim to renewal as an employer for hire. Simply because Disney and Berlin owned the underlying musical score from the film, and had no legal obligation to accept Miss Ronnell's work, and because, further, once having accepted it, they had the legal power to make changes in it, it does not follow that they in fact did, or had the legal power to direct and supervise her work *at the time she was creating her contribution.* Nothing in the record supports the conclusion that any such direction or supervision was, or could be, exercised by Disney or Berlin at the time Miss Ronell was in fact writing the work in question. It is only this kind of direction and supervision that constitutes an employment for hire relationship, and

that permits the conclusion that the directing supervisor has made such an authorship contribution as an employer as to justify denial to the author of his renewal rights under Sec. 24 of the Copyright Act.

2. The Court of Appeals' Decision Is in Conflict With the Law as Previously Expounded by This Court.

In *Fred Fisher Music Co., Inc. v. M. Witmark & Sons*, 318 U.S. 643, 87 L.ed. 1055 (1943) this Court engaged in the most thorough analysis of Section 24 (then denominated Section 23) of the Copyright Act ever rendered by any court, either before or since. In that case this Court held that an author entitled to claim renewal of copyright under Section 24 may validly assign such renewal copyright in advance of the time when such renewal vests. This issue arises only if the author is in the first instance entitled to claim renewal copyright, since if he is precluded from claiming such renewal (as, for example if the work is written "for hire"), then the author would never have any renewal which he could assign, either before or after it vests. If the work were written "for hire", then by operation of law, under the first "Provided" clause of Section 24, the "employer" would be entitled to renewal without any need to rely upon the validity of a renewal assignment executed by the author. This Court clearly did not regard the relationship between the composer-assignor (Graff) and the music publisher-assignee (Witmark) as a "for hire" relationship since the Court stated: "Plainly, there is only one question before us—does the Copyright Act nullify an agreement by an author, made during the original copyright term, to assign his renewal?" (318 U.S. at p. 647; 87 L.ed. at p. 1059). If the Court

had regarded the relationship between the composer and the publisher to be an employment for hire, then the "only" question before the Court would have been irrelevant. The publisher would have been entitled to claim the renewal even without such an assignment.

It is, then, appropriate to examine the relationship between the composer and publisher in *Fisher*, since that relationship by clear implication of this Court is not a "for hire" relationship within the meaning of Section 24. In *Fisher* George Graff, Jr., together with two collaborators, composed the song "When Irish Eyes Are Smiling" for the Witmark Publishing Co. Witmark owned the copyright during the original term. Prior to the expiration of the original term Graff executed an assignment of renewal rights to Witmark. After the renewal copyright vested, Graff claimed the right to assign the renewal copyright to Fisher. This Court concluded that the original assignment of renewal to Witmark was binding on Graff, so that Fisher acquired no renewal rights. But for reasons set forth above, the Court implicitly concluded that the relationship between Graff and Witmark was not that of an employment for hire. Yet this Court stated that the song in question was written by Graff and his collaborators, "each of whom was under contract to" Witmark, and that "[p]ursuant to the contracts Witmark . . . applied for and obtained the [original term] copyright in the song." (318 U.S. at p. 645; 87 L.ed. at p. 1058). More explicitly, we are told by Judge Clark, in the *Fisher* opinion below by the Court of Appeals that "George Graff, Jr., collaborated in the writing of this song in 1912, at which time he was acting under a general agreement to assign all copyrights to the plaintiff, M. Witmark & Sons, with

a reservation of royalties." (125 F.2d 949, 950 (2d Cir. 1942)).

The implication of *Fisher* is, then, clear. Even where the composer writes under an existing contract with the publisher, there is no employment for hire relationship if the composer is an independent contractor. This conclusion follows *a fortiori* in the instant case where there was not even a contractual agreement between Miss Ronell and either Disney or Berlin at the time she wrote her contribution to the said song.

3. The Court of Appeals' Decision Is in Conflict With Other Courts of Appeals' Decisions.

Because the great majority of all appellate decisions in copyright cases are rendered by the Court of Appeals for the Second Circuit, it is not possible to demonstrate a conflict between circuits on the point in issue, since the Courts of Appeals in other circuits have not had occasion to rule upon this point. However, there very definitely is a conflict between different panels of the Court of Appeals for the Second Circuit on this point. Given the near monopoly which the Second Circuit exercises in copyright cases, this, it is submitted, is the equivalent of a conflict between circuits in other types of cases.

In concluding that Petitioner is not entitled to the right of renewal, the Court of Appeals relied upon two prior decisions by other panels of said Court, *i.e. Brattleboro Publishing Co. v. Winmill Publishing Corp.*, 369 F.2d 565 (2d Cir. 1966) and *Yardley v. Houghton Mifflin Co.*, 108 F.2d 28 (2d Cir. 1939). Neither *Brattleboro* nor *Yardley* support this conclusion, and indeed, point to a contrary result.

The opinion in the instant case states that *Brattleboro* "held that advertisements designed and printed by a newspaper, obviously at the 'instance' of the advertiser, were done for hire." (457 F.2d at p. 1216). It is respectfuly submitted that *Brattleboro* does not so hold. Rather, *Brattleboro* holds that where the author is an independent contractor there is a presumption that the parties intended that *the initial term of copyright* shall belong to the party commissioning the independent contractor, in the same way that such a presumption would also exist if the relationship had been that of employer-employee. That is quite different from the Court of Appeals' conclusion in the instant case that an independent contractor is to be equated to an employee for hire for all purposes, and particularly that of renewal rights. That *Brattleboro* intended no such equation is indicated by two factors. First, *Brattleboro* reached the aforesaid conclusion by quoting from that section of *Nimmer on Copyright* dealing with "Commissioned Works" (§ 63, p. 244). That section goes on to specifically state:

> ". . . the presumption of copyright in the person commissioning the work is valid only with respect to the initial term of copyright, not as to the renewal term. This is to be contrasted with an employment for hire which not only divests the employee of the original term of copyright but also divests him and his successors of the renewal term."

Moreover, *Brattleboro* relies upon *Yardley v. Houghton Mifflin Co., supra.* Yet, *Yardley* itself is authority for the proposition that the independent contractor, and not the party commissioning him, is entitled to the renewal copyright. In *Yardley* the Court of Appeals

recognized that although the original term of copyright belonged to the commissioning party and not to the independent contractor-artist (Turner), still:

> "only Turner's executor could legally obtain a renewal." 108 F.2d at p. 32.

If Turner had been treated as an employee for hire *for renewal purposes*, then not his executor, but only the commissioning party or its successor would have been entitled to claim the renewal. *Tobani v. Carl Fischer, Inc.*, 98 F.2d 57 (2d Cir. 1938). See also *Shapiro, Bernstein & Co. v. Bryan*, 123 F.2d 697 (2d Cir. 1941). Since, however, Turner was not treated as an employee for hire for renewal purposes, and since at the time for renewal he had died, leaving neither widow nor children, it followed that his executor, (and not plaintiff Yardley, who was in the next succeeding class, his next of kin) was entitled to claim the renewal. See *Nimmer on Copyright*, §§ 115.2 and 115.3.

Finally, one other prior decision by the Court of Appeals expressly holds that an independent contractor retains renewal rights. In that case, *Shapiro, Bernstein & Co. v. Jerry Vogel Music Co.*, 221 F.2d 569 (2d Cir. 1955), modified on other grounds, 223 F.2d 252(2d Cir. 1955), the Court stated:

> "The trial court found that Sumner wrote the lyric as a special job assignment, outside the line of his regular duties for the Jenkins Company. This finding is not attacked on appeal. It followed that Sumner had an author's rights in his product. His right to an original copyright passed to Jenkins under his original contract with Jenkins to write a lyric for Bowman's music. *But his renewal rights he retained* . . ." (emphasis added).

Indeed, the District Court below in the instant case, although it ruled for Respondent on other grounds,* expressly recognized the well established rule that:

> "[renewal] rights vest in the author, not the proprietor, if the author was a commissioned independent contractor, Shapiro, Bernstein & Co. v. Jerry Vogel Music Co., 221 F.2d 569 (2d Cir.), modified on other grounds, 223 F.2d 252 (2d Cir. 1955); T. Kupferman, 'Renewal of Copyright,' 44 Colum.L.Rev. 712, 716 (1944); B. Varmer, 'Works Made for Hire and On Commission', in Studies on Copyright 717, 722 n.7 (1963); M. Nimmer, Copyright §114.4 at 470 (1969) . . ." (314 F.Supp. at p. 649).

4. The Court of Appeals' Decision Has Created an Uncertainty That May Result in a Forfeiture of Rights by Vast Numbers of Composers, Lyricists and Other Authors.

Relying upon the case authority, and the views of the commentators cited in Par. 3 *supra*, thousands of song writers and other authors have declined to enter into conventional employment relationships precisely because they wished to retain for themselves, or their widows and children, the right of renewal in their works. If the decision of the Court of Appeals below is not reversed, such rights, which often constitute the

*The grounds adopted by the District Court were, in Petitioner's view, clearly erroneous, but Petitioner may not properly challenge the District Court's decision at this time as the issues presented are not properly raised on appeal from the judgment of the Court of Appeals, in view of the fact that grounds for decision adopted by the District Court were not relied upon by the Court of Appeals. At the proper time, either on remand, or if this Court should so order, upon grant of Writ of Certiorari, Petitioner will argue the grounds for reversal of the District Court decision.

primary inheritance for their families, will be denied them. This case, then, is of importance not just to the litigants involved, but to a substantial portion of the nation's intellectual and artistic community. As such, it calls for a decision by this Court.

Conclusion.

For the foregoing reasons, this petition for a writ of certiorari should be granted.

Respectfully submitted,

MELVILLE B. NIMMER,
Attorney for Petitioner.

KAPLAN, LIVINGSTON, GOODWIN,
BERKOWITZ & SELVIN,
MILTON ROSENBLOOM,
M. WILLIAM KRASILOVSKY,
Of Counsel.

APPENDIX A.

17 U.S.C. Section 24.

Duration; Renewal and Extension

The copyright secured by this title shall endure for twenty-eight years from the date of first publication whether the copyrighted work bears the author's true name or is published anonymously or under an assumed name: *provided,* That in the case of any posthumous work or of any periodical, cyclopedic, or other composite work upon which the copyright was originally secured by the proprietor thereof, or of any work copyrighted by a corporate body (otherwise than as assignee or licensee of the individual author) or by an employer for whom such work is made for hire, the proprietor of such copyright shall be entitled to a renewal and extension of the copyright in such work for the further term of twenty-eight years when application for such renewal and extension shall have been made to the copyright office and duly registered therein within one year prior to the expiration of the original term of copyright: *And provided further,* That in the case of any other copyrighted work, including a contribution by an individual author to a periodical or to a cyclopedic or other composite work, the author of such work, if still living, or the widow, widower, or children of the author, if the author be not living, or if such author, widow, widower, or children be not living, then the author's executors, or in the absence of a will, his next of kin shall be entitled to a renewal and extension of the copyright in such work for a further term of

twenty-eight years when application for such renewal and extension shall have been made to the copyright office and duly registered therein within one year prior to the expiration of the original term of copyright: *And provided further,* That in default of the registration of such application for renewal and extension, the copyright in any work shall determine at the expiration of twenty-eight years from first publication.

APPENDIX B.

Opinion of the Court of Appeal.

Picture Music Inc., Plaintiff, v. Bourne, Inc., Defendant. No. 64 Civ. 3295 (MP).

United States District Court, S. D. New York. July 6, 1970.

POLLACK, District Judge.

This action seeks to determine the ownership of copyright interests, original and renewal, in a popular song and to obtain an accounting in respect thereof.

In May, 1933, Walt Disney Productions, Inc. (hereafter "Disney") produced, copyrighted and released a motion picture musical cartoon entitled the "THREE LITTLE PIGS" which enacted the fable of the two heedless pigs who built their houses of straw and sticks but were saved from the huffing, puffing wolf by the third pig's house of brick. In the cartoon was a simple musical composition, a verse sung by each pig stating its choice of its kind of house, followed by a refrain consisting of repetitions of all or part of the line, "Who's Afraid of the Big Bad Wolf?". The composition was a lyric set to music. The words and music were written by Disney's employee, a pianist, Frank E. Churchill.

The cartoon was exhibited at various motion picture houses in New York City and was a notable success. George E. Joy, the professional manager of Irving Berlin Inc., heard the tune and conceived the notion that it could be a hit as a popular vocal song. He communicated his idea to Miss Ann Ronell, a successful songwriter, some of whose works were being published by the Berlin organization, and to Johnny Burke, a lyric

writer who was under contract to Berlin. He took both of them to the Trans Lux Theatre in New York City where they saw and heard the Disney musical cartoon. Joy told them in effect that he wanted the musical composition in the motion picture adapted for use as a popular song. This required restructuring and lengthening the central melody to the customary proportions for a popular song and supplying incidental necessary musical changes and additional lyrics to accomplish this. Joy apparently felt that Miss Ronell was under some obligation to help him because he had recently taken one of her songs to Paul Whiteman, the famous band leader, who introduced it to the public for her. He explained: "We were quite friendly, and in those days you didn't think much of asking another writer to help you out and fix up a middle or punch line." Sometimes, he noted, the assistance was free of charge, and "sometimes for a few dollars."

The musical score of the cartoon was obtained by the Berlin organization and furnished to Miss Ronell. She worked on it with Johnny Burke at the Berlin offices as well as by herself at home. The music was adapted by them for use as a popular song, lyrics were added by Miss Ronell and the product was submitted to Joy who directed that it be gone over by the Berlin music editor and arranger, Helmy Kresa; the latter went over it, made suggestions and inserted certain revisions thereon. The result was then forwarded to Disney by the Berlin organization through one Kay Kamen, the New York agent for Disney.

Disney agreed to permit the publication of the song by Berlin and assigned its ownership interest and the right to apply for copyrights, original and renewal, to Berlin, in exchange for agreed royalties. Disney also

executed a written assignment to Miss Ronell for her services, of one-fourth of Disney's royalty income from the song. The song became a popular success almost immediately.

The Berlin organization published the first edition of the song sheet with the credit that the "Words and Music [were] By Frank E. Churchill and Ann Ronell". Whether this was merely reciprocal appreciation for her help is not clear but at all events the credits overshot the mark. However, the later editions of the song sheet were published with a modified legend reading "Words and Music by Frank E. Churchill, Additional Lyric by Ann Ronell". This modification was prompted by the complaints of the writers on Disney's staff who had collaborated in making the cartoon. They had complained of the credit given to her for what she had done with the work and demanded that they should be given public artistic recognition for their contributions to the works on which they were employed. Disney met the discontent in his organization by causing the modification of the legend on the popular song sheets. Ann Ronell protested the change, but to no avail. She also complained that her understanding was that she would receive one-third of the royalty income and not merely one-fourth thereof, and there is some support from the Berlin organization for her contention. Again, she was unable to gain her point; Disney refused to pay more than one-fourth. She was represented during this period and in this connection by experienced independent counsel as well as by her brother, an outstanding lawyer, both of whom she consulted in respect of her rights and interests and both of whom presented her viewpoint to Berlin and/or Disney.

The 25% share of Disney's royalty income was paid to Miss Ronell semi-annually during the next 27 years for the period from 1933 until 1960 when applications for renewal copyrights on the song became timely. Although she demurred in the early years, ultimately she accepted every royalty payment so calculated. From 1960 she declined to receive her share of royalties on a newly asserted ground and the royalties payable to her have been accumulated by the defendant for her. In a letter to the defendant prepared for her by new counsel, Miss Ronell claimed an ownership interest in the last year of the original copyright together with an undivided one-half interest in the renewal copyright as well as the right as an owner to designate the music publisher. She assigned her alleged rights to Ross Jungnickel, Inc., which in turn assigned to the plaintiff. She filed renewal copyright claims in September, 1960 and obtained registration certificates. In about 1961, the plaintiff published a new edition of the song under its own name. This has given rise to the defendant's counterclaim for infringement.

In addition to sharing Disney's income from royalties on the sale of sheet music, Miss Ronell has also received performance benefits from her connection with the popular song through her membership in ASCAP (American Society of Composers, Authors & Publishers). The latter is an unincorporated membership association comprising publishers, authors and composers who own interests in various separate musical compositions. ASCAP functions as a licensing agent for its members. When someone in the professional entertainment field wants to perform a copyrighted piece, he merely secures a license from ASCAP rather than seeking out the individual publisher or writer

whose work he wants to perform. ASCAP collects a fee or royalty for the license, which is divided equally between the publisher and the writers; this is periodically paid over to them. *Cf.* K-91, Inc. v. Gershwin Publishing Corp., 372 F.2d 1, 2 (9th Cir. 1967), cert. denied, 389 U.S. 1045, 88 S.Ct. 761, 19 L.Ed.2d 838 (1968). These performance fruits are distributed in this manner as an incident of the agreement among ASCAP members.

In this case the writer's share was split equally between Churchill and Ronell; each thus received one-fourth of the receipts collected by ASCAP and that has been paid to them since 1933. This fact has no significance on the question in this case of the ownership of the copyright interests, original or renewal. The publisher's share of the performance receipts was paid by ASCAP to Berlin (later Bourne) through September 7, 1961 and from that date until June 30, 1962 the publisher's share was divided and paid 50% to Bourne and 50% to plaintiff, Picture Music, Inc. Thereafter, this division was terminated and Bourne was credited by ASCAP with the full publisher's share as a result of furnishing ASCAP with a letter of indemnification. These facts too, have no bearing on the decision of the issue in this case as to the ownership of the renewal copyrights.

Both plaintiff and defendant agree that defendant owns at least a one-half interest in the United States renewal copyright of the song. Defendant, however, claims ownership of the entire renewal copyright, while plaintiff, as assignee of Ann Ronell, claims ownership of a one-half interest. Plaintiff's claim derives from the asserted co-authorship of Miss Ronell. Defendant maintains that Miss Ronell's contribution cannot be

deemed an authorship and that, in any event, her contribution was made in the course of an employment for hire.

By its first claim for relief, plaintiff seeks a declaration that it held the ownership of a one-half interest in the final year of the original term of the United States copyright and holds a like interest in the United States renewal copyright of the song. By the second claim for relief, plaintiff seeks a similar interest as to foreign copyrights of the song. An accounting is demanded of one-half of all moneys and benefits received by defendant for the use and licensing of the song from and after April 1, 1960.

Defendant, in a counterclaim, seeks, *inter alia,* to enjoin plaintiff's alleged infringement of defendant's copyright interest in the song, and seeks an accounting of the profits derived by plaintiff from such infringement together with counsel fees. Plaintiff denies infringement on the contention that it is a co-owner of the renewal copyright interest.

It has been stipulated that all issues relating to an accounting, damages and relief for infringement shall not be considered upon the main trial of this action, but shall be held in abeyance for subsequent adjudication, if the parties are unable to agree as to those matters.

The sole issue now to be decided, therefore, is the issue of title.

Copyright may be secured for two successive periods of 28 years, original and renewal periods, for a total of 56 years of protection. 17 U.S.C. § 24. If the author lives into the 28th year of the original period, the renewal copyright, a distinct and separate estate

from the original term, vests in him. He may, of course, dispose of the renewal by contract before or after the renewal term commences.

The plaintiff contends that Ann Ronell worked on the song as an independent contractor, that her contribution to the song was original, substantial and copyrightable, that the song is to be considered a joint work of hers with Frank E. Churchill which entitled her to an undivided one-half interest in the renewal copyright of the song and that she did not convey this interest to the defendant or to Disney.

The first of these contentions to be discussed is whether Ronell became a joint owner of the popular song and as such is entitled to an undivided half interest thereof.

Joint authorship gives rise to joint ownership of a copyright.

The doctrine of joint authorship is nowhere referred to in the basic federal copyright enactment, Title 17 U.S.C., which derives from the Copyright Act of March 4, 1909, 35 Stat. 1075. Rather, it is one of judicial creation which was imported wholesale from English Law by Judge Learned Hand. *See*, Maurel v. Smith, 220 F. 195 (S.D.N.Y. 1915), aff'd, 271 F. 211 (2d Cir. 1921), citing Levy v. Rutley, L.R. 6 C.P. 523 (1871). *See generally* Cary, "Joint Ownership of Copyrights", in 1 Studies on Copyright 689 (1963); M. Nimmer, Copyright ch. 6, at 270 (1969); H. Howell, Copyright Law, at 51, 73, 120 (Latman ed. 1962); S. Rothenberg, Legal Protection of Literature, Art and Music ch. VIII, at 132 (1960).

When two or more authors pursuing a common design together create a single work, they become joint

owners of the work in undivided shares which are owned by each author. Maurel v. Smith, *supra*; Edward B. Marks Music Corp. v. Jerry Vogel Music Co., 140 F.2d 266 (2d Cir. 1944); Shapiro, Bernstein & Co. v. Jerry Vogel Music Co., 161 F.2d 406 (2d Cir. 1946), cert. denied, 331 U.S. 820, 67 S.Ct. 1310, 91 L.Ed. 1837 (1947) (hereinafter, the "Melancholy Baby" case); Shapiro, Bernstein & Co. v. Jerry Vogel Music Co., 221 F.2d 569 (2d Cir.), modified on rehearing 223 F.2d 252 (2d Cir. 1955) (hereafter, the "12th Street Rag" case).

Traditionally, joint authorship contemplated collaboration by the authors of the parts and a common purpose. Thus, in Maurel v. Smith, *supra*, three artists who contributed, respectively, the scenario, libretto and lyrics to a single work intended for operatic performance were held to be joint authors. The collaboration in that case was virtually coincident in point of time and the authors were found to have agreed upon a general design and structure. 271 F. at 215.

However, in later cases the ingredient of collaboration was eliminated on a finding of a fusion of effort. In the Edward B. Marks case, *supra*, 140 F.2d 266, a lyricist sold the words for a song to a publisher who, without the lyricist's knowledge, engaged a composer to set the words to music and copyrighted the product. The court, *per* Leaned Hand, J., found that the lyricist had intended the words to be set to music and that the composer was writing music to be used with those particular words, and found in the circumstances "a joint

laboring in furtherance of a common design." 140 F.2d at 267, quoting Levy v. Rutley, L.R. 6 C.P. 523, at 529. The Court observed that

> It makes no difference whether the authors work in concert, or even whether they know each other; it is enough that they mean their contributions to be complementary in the sense that they are to be embodied in a single work to be performed as such. 140 F.2d at 267.

The "Melancholy Baby" case, *supra,* concerned a musical composition consisting of music written by a husband and lyrics by his wife. The work was copyrighted as an unpublished work and taken to a publisher who approved the music but rejected the lyrics. The publisher engaged a second lyricist to write new words and the product was published and copyrighted. The Court held the resultant composition a "joint work" and the product of a "joint authorship" notwithstanding that the composer of the music had originally intended his product to be joined with his wife's lyrics. The Court concluded that

> The words and music of a song constitute a "musical composition" in which the two contributions merge into a single work to be performed as a unit for the pleasure of the hearers; they are not a "composite" work, like the articles in an encyclopedia, but are as little separable for purposes of the copyright as are the individual musical notes which constitute the melody. 161 F.2d at 409.

In the "12th Street Rag" case the element of common design was still further diluted, if not altogether eliminated. There an instrumental piano solo copy-

right was assigned to a music publisher. The publisher employed a lyricist who wrote lyrics as a special job assignment and the resultant work was copyrighted. The Court rejected the view that the composer of the music must have intended at the time of his composition that lyrics be added later before a joint authorship could arise. It held that the intent of the assignee, rather than that of the author, should govern, and that the former had intended "to merge the two contributions into a single work to be performed as a unit for the pleasure of the hearers * * *." 221 F.2d at 570. Treating the work as a "composite" one, the Court reasoned, "would leave one of the authors of the 'new work' with but a barren right in the words of a worthless poem, never intended to be used alone," a result "not to be favored." *Id.*

Commentators have sharply criticized the "12th Street Rag" doctrine. One has noted,

> [N]o longer does there seem to be required a preconcerted common design or any active collaboration. It is now sufficient if there be any "fusion of effort" in the creation of a revision, adaptation or modification of any existing work. The authors of the original work are not required to have any knowledge of the modification, nor do they have to take part in it. Any action on the part of their transferees which utilizes the preexisting work in the creation of a new version thereof is sufficient to make the original creators joint authors with those who later revise their work. Not only does this extension of the joint author concept do violence to the renewal policy of the law, but it would appear to extend, for an indefinite period, the control of the original author over any subsequent revision of his work. Cary, *supra*, at 696.

Nimmer suggests that the "fusion of effort" doctrine subverts the division of rights in a derivative work established under 17 U.S.C. § 7 and causes the following anomalous results:

> (1) the creator of a derivative work obtains the right to exploit such work for the entire term of its copyright even if his license from the owner of the underlying work terminates prior thereto; (2) the owner of the underlying work may claim ownership in the derivative work even after the underlying work has entered the public domain. Nimmer, *supra*, § 73.2, at 281.

Suggested statutory revisions of the copyright law would define a "joint work" as one "prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole," expressly overruling the "12th Street Rag" doctrine. *See* P. Wittenberg, The Protection of Literary Property 67 (1968).

It is clearly established that where a truly "joint work," is created, each co-owner is akin to a tenant in common. Silverman v. Sunrise Pictures Corp., 273 F. 909 (2d Cir. 1921), cert. denied, 262 U.S. 758, 43 S.Ct. 705, 67 L.Ed. 1219 (1923); Denker v. Twentieth Century-Fox Film Corp., 10 N.Y.2d 339, 223 N.Y.S.2d 193, 179 N.E.2d 336 (1961); Noble v. Van Nostrand Co., Inc., 63 N.J.Super. 534, 164 A.2d 834 (1960). Accordingly, a joint author cannot be held liable for copyright infringement to another joint owner, Richmond v. Weiner, 353 F.2d 41 (9th Cir. 1965), cert. denied, 384 U.S. 928, 86 S.Ct. 1447, 16 L.Ed.2d 531 (1966); compensation obtained from the unilateral exploitation of the joint work by one of the co-owners

without the permission of the others is held in a "constructive trust" for the mutual benefit of all co-owners and there is a duty to account therefor. Shapiro, Bernstein & Co. v. Jerry Vogel Music Co., 221 F.2d 569 (2d Cir.), modified on rehearing, 223 F.2d 252 (2d Cir. 1955).

No joint ownership arose here. There was no collaboration between Frank E. Churchill, the author of the source material, and Ann Ronell. Neither Churchill nor his employer, Disney, intended to create a new work. Miss Ronell's contribution to the work which she undertook with Berlin's employees was not a new version of the music or lyrics. Even if her additions were copyrightable, and this is shrouded in doubt, a more substantial and significant contribution was required to reach a finding of joint ownership. *But cf.* Bleistein v. Donaldson Lithographing Co., 188 U.S. 239, 23 S.Ct. 298, 47 L.Ed. 460 (1903).

It was not the intention of the parties that Miss Ronell should become a joint owner of the source material or of the popular song so closely derived therefrom. The original work was not transferred to her. At most, she provided only certain musical changes in the same musical composition which were not a significant contribution or change, except in musical style, of the original source material; and she added lyrics in the same vein as the original lyrics.

The plaintiff further contends that Miss Ronell owned a renewal copyright interest in the song at all events as the beneficiary of purposes of the Copyright Act which vest in an author a second chance to negotiate for the fruits of her work. It becomes useful then to examine the relevance of this doctrine when serv-

ices have been applied to source material furnished by the original author.

Section 24 of 17 U.S.C. provides for a "renewal and extension" of copyrights "for the further term of twenty-eight years when application for such renewal and extension shall have been made to the copyright office and duly registered therein within one year prior to the expiration of the original term of copyright," by stated classes of beneficiaries subject to prescribed conditions. Analysis of the legislative history of the enactment indicates that the renewal term was designed for the twin purposes of benefiting the author and regulating the term according to the commercial value of the work. *See* Ringer & Culp, "Renewal of Copyright," in 1 Studies on Copyright 503, at 517 (1963).

Nonetheless, it has been dispositively held that authors can effectively yield their renewal expectancy prior to its vesting. An assignment of the expectancy entities an assignee to the renewal copyright, Fred Fisher Music Co. v. M. Witmark & Sons, 318 U.S. 643, 63 S.Ct. 773, 87 L.Ed. 1055 (1943), absent circumstances rendering the assignment unconscionable. Rossiter v. Vogel, 148 F.2d 292 (2d Cir. 1945).

In the *Fred Fisher* case the Supreme Court specifically declined "to recognize that authors are congenitally irresponsible, * * * and therefore assignments made by them should not be upheld." 318 U.S. at 656, 63 S.Ct. at 779. Mr. Justice Frankfurter, writing for the Court, noted:

> It is not for courts to judge whether the interests of authors clearly lie upon one side of this question rather than the other. If an author cannot make an effective assignment of his renewal, it

> may be worthless to him when he is most in need. Nobody would pay an author for something he cannot sell. We cannot draw a principle of law from the familiar stories of garret-poverty of some men of literary genius. Even if we could do so, we cannot say that such men would regard with favor a rule of law preventing them from realizing on their assets when they are most in need of funds. Nor can we be unmindful of the fact that authors have themselves devised means of safeguarding their interests. We do not have such assured knowledge about authorship, and particularly about song writing, or the psychology of gifted writers and composers, as to justify us as judges in importing into Congressional legislation a denial to authors of the freedom to dispose of their property possessed by others. While authors may have habits making for intermittent want, they may have no less a spirit of independence which would resent treatment of them as wards under guardianship of the law. 318 U.S. at 657, 63 S.Ct. at 779.

Whether an assignment is construed to convey renewal rights as well as the original term of copyright is a question of fact which hinges on the intent of the parties; and the issue is to be decided from the attendant facts and circumstances. Rossiter v. Vogel, 134 F.2d 908 (2d Cir. 1943); Venus Music Corp. v. Mills Music, 261 F.2d 577 (2d Cir. 1958). Furthermore, "the circumstances justifying the transfer of the right of renewal must be stronger than those justifying the transfer of the copyright * * *." Rossiter v. Vogel, 134 F.2d at 911; Shapiro, Bernstein & Co. v. Bryan, 123 F.2d 697, at 700 (2d Cir. 1941).

It has been held that a general transfer by an author of the original copyright without mention of renewal rights conveys no interest in the renewal rights without proof of a contrary intention. G. Ricordi & Co. v. Paramount Pictures, Inc., 189 F.2d 469 (2d Cir.), cert. denied, 342 U.S. 849, 72 S.Ct. 77, 96 L. Ed. 641 (1951); Edward B. Marks Music Corp. v. Charles K. Harris Music Publishing Co., 255 F.2d 518 (2d Cir.), cert. denied, 358 U.S. 831, 79 S.Ct. 51, 3 L.Ed.2d 69 (1958).

On the other hand, a trial court may infer from the acts of the parties and the surrounding circumstances an intention to convey renewal rights by general words or acts of assignment. Venus Music Corp. v. Mills Music, 261 F.2d 577 (2d Cir. 1958). An agreement to make royalty payments for an indefinite period on moneys accrued from the exploitation of copyrights and the acceptance of such payments are factors which may be considered in determining whether delivery of an artist's product carried renewal rights. Rose v. Bourne, Inc., 176 F.Sup. 605, 611-612 (S.D.N.Y. 1959), aff'd, 279 F.2d 79 (2d Cir.), cert. denied, 364 U.S. 880, 81 S.Ct. 170, 5 L.Ed.2d 103 (1960).

It has been suggested [and it is claimed herein] that the most compelling rationale for the renewal protection is that the original assignment of rights by authors to publishers frequently is made "at a time when the value of the work is unknown or conjectural and the author (regardless of his business ability) is necessarily in a poor bargaining position." Ringer, *supra*, at 521; Nimmer, *supra*, § 113 at 462. However, Nimmer has recognized that "[t]his reasoning is somewhat less persuasive when the original sale is on a percentage royalty basis so that the author automatically shares in

whatever returns his work may bring." *Id.* The purpose to give a second chance to an improvident author disappears when a substantial royalty is the compensation arranged—it goes for the life of the commercial value of the property.

It follows that the concept for which a renewal term is carved out for an artist may be considered in determining whether a particular transfer of rights comprehended the renewal as well as the original copyright interests.

The defendant contends further that an employment for hire relationship existed between Disney-Berlin and Ann Ronell and the product of her services was thus purchased by and became the property of Disney (respectively Berlin).

Section 24 of 17 U.S.C. *inter alia* provides that "in the case of * * * any work copyrighted * * * by an employer for whom such work is made for hire, the proprietor of such copyright shall be entitled to a renewal and extension of the copyright in such work for the further term of twenty-eight years" upon due and timely application in the final year of the original term. Thus, it is crucial in determining renewal rights to define the relationship between the author and any publishing company to whom he may have ceded rights in the original copyright term.

If the relationship is one of employment, then the renewal rights vest in the employer or his sucessor in interest absent any contrary agreement, Shapiro, Bernstein & Co. v. Bryan, 123 F.2d 697 (2d Cir. 1941); Von Tilzer v. Jerry Vogel Music Co., 53 F.Supp. 191 (S.D.N.Y. 1943), aff'd sub nom. Gumm v. Jerry Vogel Music Co., Inc., 158 F.2d 516 (2d Cir. 1946); Fred Fisher Music Co. v. Leo Feist, Inc., 55 F.Supp. 359

(S.D.N.Y. 1944), and provided the particular work was made pursuant to the relationship and not as a special assignment outside of the regular scope of employment. Shapiro, Bernstein & Co. v. Jerry Vogel Music Co., 115 F.Supp. 754 (S.D.N.Y. 1953), rev'd on other grounds, 221 F.2d 569 (2d Cir.), modified on other grounds, 223 F.2d 252 (2d Cir. 1955); Eliscu v. T. B. Harms Co., 151 U.S.P.Q. 603 (N.Y. Sup.Ct., N.Y. County 1966).

On the other hand, the rights vest in the author, not the proprietor, if the author was a commissioned independent contractor, Shapiro, Bernstein & Co. v. Jerry Vogel Music Co., 221 F.2d 569 (2d Cir.), modified on other grounds, 223 F.2d 252 (2d Cir. 1955); T. Kupferman, "Renewal of Copyright," 44 Colum.L. Rev. 712, 716 (1944); B. Varmer, "Works Made for Hire and On Commission," in 1 Studies on Copyright 717, 722 n.7 (1963); M. Nimmer, Copyright § 114.4, at 470 (1969), or if any of the ingredients of the employment relationship are lacking. Donaldson Publishing Co. v. Bregman, Vocco & Conn, Inc., 375 F.2d 639 (2d Cir. 1967), cert. denied, 389 U.S. 1036, 88 S.Ct. 768, 19 L.Ed.2d 823 (1968). *But cf.* Brattleboro Publishing Co. v. Winmill Publishing Corp., 369 F.2d 565 (2d Cir. 1966), holding that the "works for hire" doctrine is applicable where the parties bear the relationship of employer and independent contractor. *Also see* Lin-Brook Builders Hardware v. Gertler, 352 F.2d 298 (9th Cir. 1965), which holds that absent an express contractual reservation of copyright in an artist engaged as an employee or independent contractor, the presumption arises that the mutual intent of the parties is that title to the copy-

right shall be in the person at whose instance and expense the work is done.

In spite of the importance of the distinction, however, the law is unclear as to precisely what constitutes an employment for hire. *See* M. Nimmer, Copyright § 62.2, at 238.2 (1969).

The legislative history of the provision entitling proprietors of "works made for hire" to renew in their own right is hardly enlightening in this regard. *See* Ringer, "Renewal of Copyright," in 1 Studies on Copyright 503, at 533 (1963). Discussions during a revision conference held by the Librarian of Congress in 1906 prior to the enactment of the 1909 Act indicate that the provision was included in the draft bills at the behest of two groups: the publishers of encyclopedias, directories and other composite works and the publishers of prints and similar works of graphic arts. *Id.* These publishers wished to insure their right to secure copyrights in material composed by their staffs without having to obtain their employees' assignments.

In the early drafts of the Act, which contemplated a single copyright term for the life of the author plus fifty years, a special term of fifty years' duration was given to composite works, works copyrighted by a corporate body and works made for hire. Ringer, *supra*, at 534. This, apparently was done because of the impracticality of basing copyright terms on the life of corporate employers and because of the propriety of affording employers a shorter term of protection than the actual creators. Ultimately, however, the life-term concept was eliminated from the statute. The language giving a special term to works copyrighted by em-

ployers for hire was imported intact into the provision giving proprietors renewal in their own right. As one commentator notes

> The committee reports on this final bill indicate a likelihood that the legislators regarded a "work made for hire" as a species of "composite or cyclopedic work," and did not realize the breadth of the exception they were creating. Ringer, *supra*, at 534-35.

The case law is similarly unhelpful in articulating the constituent elements of an employment for hire or the rationale underlying the provision. Two cases in this Circuit provided the initial construction of the "employer for hire" renewal provisions of the Act of March 4, 1909, c. 320, 35 Stat. 1080.

Tobani v. Carl Fischer, Inc., 98 F.2d 57 (2d Cir.), cert. denied, 305 U.S. 650, 59 S.Ct. 243, 83 L.Ed. 420 (1938) construed a section (§ 24 of the 1909 Act, repealed by § 2 of Act of July 30, 1947, c. 391, 61 Stat. 652) pertaining to works copyrighted before 1909; Shapiro, Bernstein & Co. v. Bryan, 123 F.2d 697 (2d Cir. 1941) interpreted a section (§ 23 of the 1909 Act, now 17 U.S.C. § 24) relating to copyrights secured after 1909. Both cases held that the claims of employers for hire prevail over those of authors, their families or their representatives.*

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*Although the result of the two cases was the same, the grounds for the respective decisions differed. *Tobani* read into the provisions dealing with the renewal of subsisting copyrights the language of what is now 17 U.S.C. § 26, which provides that the word "author" shall include an employer in the case of works made for hire. *Shapiro, Bernstein & Co.* declined to import that same language into the section governing renewals of work copyrighted after 1909, reasoning that such a construction would lead to absurdities. Instead, the latter case relied on the specific language of what is now 17 U.S.C. § 24.

Shapiro, Bernstein & Co. v. Bryan, *supra,* also made it clear that the copyright proprietors at the time of renewal—not the original employers—are entitled to the second term.

Shapiro, Bernstein & Co. v. Bryan, *supra,* recognized the difficulty of reconciling the rationale underlying the renewal term with the exception for works made pursuant to an employment for hire. In particular, the Court noted the discrepant treatment of assignees and employers:

> It is of course true that since the right of renewal is quite separate from the original copyright, circumstances which might be enough to imply its transfer—e.g. working for wages—might not be enough to imply a transfer of the right of renewal. We assume arguendo for instance that the assignee of the literary property in an unpublished work, who later takes out the copyright, like the assignee of the copyright itself, does not get the renewal; it might have been reasonable therefore to save out of the transfer by contract of employment cases where the employee was the real author, as here. 123 F.2d at 700.

The Court went on to reason, however, that the language of the statute dictated the distinction and that any construction other than the obvious one would fly "in the teeth of the statute."

In spite of the absence of a conceptual basis for the distinction, certain objective indicia may be noted in the cases finding an employment for hire, and in those declining to do so.

Indicative of an employment for hire are the following:

(1) The existence of an arrangement going beyond an assignor-assignee relationship prior to the undertaking of the particular work. Ringer, *supra*, at 537. The antithesis of such an arrangement is a case where an author creates a work of his own volition and then sells it to a proprietor, *Id.*; T. Kupferman, "Renewal of Copyright," 44 Colum.L.Rev. 712, 716 (1944); Olympia Press v. Lancer Books, Inc., 267 F.Supp. 920, 924 (S.D.N.Y. 1967). Such a work has been called a "spontaneous" product. Tobani v. Carl Fischer, Inc., 36 U.S.P.Q. 97 (S.D.N.Y. 1937), modified on other grounds, 98 F.2d 57 (2d Cir.), cert. denied, 305 U.S. 650, 59 S.Ct. 243, 83 L.Ed. 420 (1938). This consideration has also been spoken of under parallel provisions of English law as "the master's power of selection of his servant." W. Copinger & F. E. & E. P. Skone James, Copyright § 326, at 130 (1965).

(2) The payment of wages or other remuneration. Copinger & Skone James, *supra*. A regular salary is an important indicant of employment, Ringer, *supra;* Van Tilzer v. Jerry Vogel Music Co., 53 F.Supp. 191 (S.D.N.Y. 1943), aff'd sub nom. Gumm v. Jerry Vogel Music Co., 158 F.2d 516 (2d Cir. 1946), but the salary need not be fixed and has often been in the form of advances against future royalties, if any. M. Nimmer, Copyright, § 62.2, at 238.2-239 (1969); Tobani v. Carl Fischer, Inc., *supra;* Shapiro, Bernstein

& Co. v. Bryan, 123 F.2d 697 (2d Cir. 1941); Fred Fisher Music Co. v. Leo Feist, Inc., 55 F.Supp. 359 (S.D.N.Y. 1944). It has been said that one may be an employee even if the writing is done as an accommodation with no compensation at all. Nimmer, *supra* at 238.2, citing Lawrence v. Dana, 15 Fed.Cas. p. 26 (No. 8136) (C.C.D. Mass. 1869). Thus, neither the form of compensation, nor the amount, if any, is determinative. Conversely, the fact that the author was obliged to repay advances on royalties which were never accrued is an indicant that the relationship was not an employment for hire. Donaldson Publishing Co. v. Bregman, Vocco & Conn, Inc., 375 F.2d 639 (2d Cir. 1967), cert. denied, 389 U.S. 1036, 88 S.Ct. 768, 19 L.Ed.2d 823 (1968), reversing 253 F.Supp. 841 (S.D.N.Y. 1965).

(3) The right of the employer to direct and supervise the manner in which work is performed. Donaldson Publishing Co. v. Bregman, Vocco & Conn, Inc., *supra;* Olympia Press v. Lancer Books, Inc., *supra;* Rytvoc, Inc. v. Robbins Music Corp., 289 F.Supp. 136 (S.D.N.Y. 1967); Copinger & Skone James, *supra;* M. Nimmer, Copyright § 62.2, at 238.2-239 (1969). This indicant has been called "crucial". Nimmer, *supra*. Courts have noted whether the author's work was edited by his employer and whether control was exerted over the style and content of the work. Olympia Press v. Lancer Books, Inc., *supra*.

(4) The existence of an express contract for hire, especially one calling for an author to devote his exclusive artistic services to his employer, Tobani v. Carl Fischer, Inc., *supra;* Shapiro, Bernstein & Co. v. Bryan, *supra;* Fred Fisher Music Co. v. Leo Feist, Inc.,

supra, or requiring him to execute special contracts in connection with all works created which assign his copyright interest. Fred Fisher Music Co. v. Leo Feist, Inc., *supra.* By contrast, an author's freedom to engage in outside writing activities from which he derives substantial independent income is indicative of the absence of an employment for hire notwithstanding the use of the word "employment" in an agreement with the writer. Donaldson Publishing Co. v. Bregman, Vocco & Conn, Inc., *supra.*

(5) Regular working hours. Von Tilzer v. Jerry Vogel Music Co., *supra.* This factor has been expressly declared a non-essential ingredient of the employment relationship, however. Tobani v. Carl Fischer, Inc., *supra.*

(6) The fact that the creative work occurred in whole or in part at the employer's place of business. Von Tilzer v. Jerry Vogel Music Co., *supra.*

(7) The master's right to suspend or dismiss the employee. Copinger & Skone James, *supra.*

In addition to the elements mentioned above, the following factors indicate an absence of an employment for hire:

(1) The fact that the work was created as a special job assignment, that is, outside the scope of the employee's regular duties. Shapiro, Bernstein & Co. v. Jerry Vogel Music Co., 115 F.Supp. 754 (S.D.N.Y. 1953), rev'd on other grounds, 221 F.2d 569 (2d Cir. 1955), modified on other grounds, 223 F.2d 252 (2d Cir. 1955); Eliscu v. T. B. Harms Co., 151 U.S.P.Q. 603 (N.Y.Sup.Cit., N.Y. County 1966); Ringer, *supra,* at 538.

(2) The fact that the author received no compensation until the entire work was completed. Olympia Press v. Lancer Books, Inc., *supra*.

The resolution of this case and the renewal copyright claims gets down to an issue of the intention of the parties. This must be adjudicated after a lapse of 37 years from the time of the operative events. Most of the people who dealt with the matter contemporaneously are dead and the memories of interested witnessed in their recital of the past have undeniably dimmed, lapsed or been constructed. The objective manifestations, the acts, writings and contemporaneous claims of the parties and the reasonable inferences therefrom, measured against the probabilities, provide a more reliable index to the truth than mustered recollections on each side of the case, understandably schooled for the trial.

The inference which the Court draws from the credible evidence which does not bear the infirmity of lapsed memory or wisdom or desire born or created 37 years after the event, is that during the summer of 1933, Berlin obtained the assistance of Miss Ronell for its desire to publish an adaptation and arrangement of the vocal music and lyrics in "Three Little Pigs" for use as a popular song, utilizing the theme words of the source material as the title, "Who's Afraid of the Big Bad Wolf?"

Ann Ronell did not participate in the composition of any of the music or lyrics contained in the Disney copyrighted motion picture musical cartoon—"Three Little Pigs." The music used in the song was actually taken from the music in the picture but placed in different positions; the basic music in the song is not different; moreover, it is identical as to key, harmony

and time; it is melodically, harmonically and rythmically the same. Miss Ronell did not add anything creative, original or substantial to the Disney source material of the song; there is a virtual musical identity between the musical source material and lyrics and the piano song and the latter represents no musical contribution over the former.

Miss Ronell conveyed and intended to convey her contribution to the adaptation and arrangement of the original material together with the additional words she supplied, and all her rights, including copyrightable interest, original and renewal, in the song, in exchange for a share of all royalties to Disney from copyrights, original and renewal, as well as any royalties accruing thereafter.

Defendant filed claims to copyright in its name and received certificates of registration as follows:

> Class E, unp., No. 76052 dated September 8, 1933; and
>
> Class E, pub., No. 37954, dated September 22, 1933,

with notation reading as follows:

> "Words and Music by Frank E. Churchill and Ann Ronell."

During the 28th year of the original term of copyright both parties registered claims to renewal copyright of both the unpublished and published copyrights of the song. Defendant registered such renewal claims as proprietor of a work made for hire, as follows: "Words and Music by Frank E. Churchill and Ann Ronell."

The Court does not credit the claim made on the trial that in 1933 Miss Ronell also sought a so-called SPA (Songwriter's Protective Association) contract

for her services on the Disney song. The force of a claim to that effect was to seek to carve out of the transfer to Disney the renewal rights to her own additions. Her only discontent during the original 28 year copyright period was with the percentage of royalty given to her (she testified that she expected one-third and got only one-fourth) and the contraction of the original legend expressing artistic credits on the song sheet. Miss Ronell sought and expected only money and credits—not copyrights or renewal privileges. She was not a weak negotiator for her own interests. She never indicated a claim to an ownership in the popular song or its copyright or in any renewal copyright until about 1960. She knew that Berlin was the music publisher and had immediately copyrighted the song. Berlin had not sought or obtained any authorization in respect of the copyright or the publication of the song from Miss Ronell. It would have been normal to seek and obtain or supply such authorization if warranted by the facts known to both parties. Nonetheless, Miss Ronell never claimed that she had any interest in the work, its copyrights or the publication of the song, except to obtain the royalties agreed upon in 1933 and except to be given public recognition (plaudits) in the form set out in the original credits. She did not broaden her claims even when the popular song was a great success. Nearly three decades later, she hit upon the ideas which gave rise to this suit and the filing of claims to the last year of the original copyright and to the renewal copyright.

On the other hand, Disney contemporaneously described itself in the assignment of ownership and copyrights to Berlin as the sole composer and warranted to Berlin that there were no arrangements affecting copy-

rights or renewals thereof. Both Disney and Berlin were sensitive and sophisticated on the need to procure an assignment of copyright interests before proceeding with publication except where no factual situation existed for a claim of retained ownership or an interest therein by a writer, adapter or arranger.

In 1960, Ann Ronell's contribution to the adaptation of the cartoon song and the added lyrics were worthless without the source material. It is for these items which Ann Ronell delivered in 1933 that she was given the substantial percentage of the on-going royalty income, payable during the original and renewal copyright periods and beyond.

The Court has been unable to find any merit in the claim for renewal rights regardless of the rubric applied. I cannot see any room to doubt that when Miss Ronell finished her work on the source material and handed over the product and had it reviewed and revised by Berlin's music editor and arranger and it was sent on to Disney, that it was intended to become Disney's property exclusively. The creative spark emanated from the original work. Nothing materially new was added. The additions were too insubstantial to induce an owner to share its copyrights or their ownership or do more than pay fair compensation for the services rendered which was here cast in terms of the royalty income returned.

Plaintiff, Picture Music, Inc. is a New York corporation engaged in the music publishing business. Defendant, Bonnie Bourne, is the successor to the dissolved New York corporation, Bourne, Inc., formerly Irving Berlin, Inc., an individual proprietor engaged in the music publishing business under the name of Bourne Co.

The Court concludes that jurisdiction is founded on the Copyright Act, Title 17, U.S.C., Sections 1 and 101, and Title 28, U.S.C., Section 1338. The composition entitled "Who's Afraid of the Big Bad Wolf?" was an original work subject to copyright protection under the copyright laws of the United States and all laws relating to copyright protection were duly complied with. The work done by Miss Ronell, for which Disney paid Miss Ronell, belonged—by intent of the parties as well as by operation of law—to Disney who thereafter assigned it to defendant's predecessor in title.

Defendant is entitled to judgment herein: dismissing the complaint, for injunctive relief and to an accounting from plaintiff, together with appropriate costs and reasonable counsel fees.

The foregoing shall constitute the findings and conclusions required by Rule 52(a), Fed.R.Civ.P.

An appropriate decree accordingly should be submitted on notice returnable within 20 days after the date of this decision.

So ordered.

APPENDIX C.

Opinion of the Court of Appeal.

Picture Music, Inc., Plaintiff-Appellant, v. Bourne, Inc., Defendant-Appellee. No. 330, Docket 71-1222.

United States Court of Appeals, Second Circuit. Argued Jan. 31, 1972. Decided April 3, 1972.

Before HAYS and OAKES, Circuit Judges, and CLAIRE, District Judge.*

HAYS, Circuit Judge:

This is an appeal from a judgment of the United States District Court for the Southern District of New York, which held that appellant had no copyright interest in the song "Who's Afraid of the Big Bad Wolf," and that appellant had infringed appellee's copyright in the song. The opinion of the district court is reported at 314 F.Supp. 640 (S.D.N.Y. 1970), and the facts are set out more fully there.

In May, 1933, Walt Disney Productions, Inc. released an animated cartoon film entitled "The Three Little Pigs." The film contained a musical score, portions of which agents of Disney and Irving Berlin, Inc., appellee's predecessor in interest, believed could be adapted as a popular song. With Disney's approval Berlin asked Ann Ronell, appellant's predecessor in interest, to assist in the adaptation; she did so, rearranging the musical themes in collaboration with an employee of Berlin, and arranging the existing lyrics and adding new ones of her own. The trial court found that the new song was revised somewhat by another employee of Berlin and approved by Disney. In exchange for an agreement to pay certain royalties, Disney as-

*Of the District of Connecticut, sitting by designation.

signed all its rights in the new song to Berlin,[1] 314 F. Supp. at 643. Disney later agreed that either one-third or one-fourth of its royalties should be paid to Miss Ronell for her services.[2]

In 1960, the twenty-eighth year of the copyright, when the right to apply for a renewal accrued, 17 U.S.C. § 24 (1970), Miss Ronell for the first time asserted a one-half ownership interest in the copyright as a joint author, and obtained registration in her name, while Bourne, Berlin's assignee, registered as "proprietor."[3] In the present action, appellant, as Miss Ronell's assignee, seeks an adjudication that since 1960 it owned one-half interest in the copyright of the song, together with an accounting of one-half the profits from that date. Appellee has counterclaimed for infringement, alleging as a basis for its claim a new edition of the song published by appellant in 1961. The trial court rejected appellant's claim of ownership and sustained appellee's claim of infringement.

Bourne offered alternative theories in support of its claim to total ownership of the song: (1) that Miss Ronell's contribution was not substantial enough to constitute authorship, and (2) that her contribution was "done for hire," see 114 F.Supp. at 644, and that

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[1]Berlin obtained the copyright in the new song in its own name, crediting authorship to Miss Ronell and Frank E. Churchill, the Disney employee who had composed the original song.

[2]Miss Ronell claimed that the parties had agreed on one-third, but she eventually dropped the issue and accepted one-fourth of Disney's share from 1933 to 1960. 314 F.Supp. at 643.

[3]It is apparently customary for the Register of Copyrights to allow conflicting claimants to register, without making any determination as to the validity of their claims. See Ringer, Renewal of Copyright, in 1 The Copyright Society of the U.S.A., Studies on Copyright 537 (1963).

the "proprietor" was thus entitled to the renewal copyright under Section 24 of the Copyright Act, 17 U.S.C. § 24 (1970).[4] In finding for the appellee, 314 F.Supp. at 647, the trial court appears to have relied principally on the first theory, though it also suggests a theory of assignment in its finding that the conduct of the parties shows that Miss Ronell intended to convey all rights to the work in return for royalties and credits, *id.* 652-653. Though the trial court discussed the work for hire doctrine, *id.* at 650-651, it did not explicitly rule on that issue.

We affirm the judgment, but do so on the ground that the findings of the trial court establish the con-

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[4]§24. Duration; renewal and extension. The copyright secured by this title shall endure for twenty-eight years from the date of first publication, whether the copyrighted work bears the author's true name or is published anonymously or under an assumed name: *Provided*, That in the case of any posthumous work or any periodical, cyclopedic, or other composite work upon which the copyright was originally secured by the proprietor thereof, or of any work copyrighted by a corporate body (otherwise than as assignee or licensee of the individual author) or by an employer for whom such work is made for hire, the proprietor of such copyright shall be entitled to a renewal and extension of the copyright in such work for the further term of twenty-eight years when application for such renewal and extension shall have been made to the copyright office and duly registered therein within one year prior to the expiration of the original term of copyright: *And provided further*, That in the case of any other copyrighted work, including a contribution by an individual author to a periodical or to a cyclopedic or other composite work, the author of such work, if still living, or the widow, widower, or children of the author, if the author be not living, or if such author, widow, widower, or children be not living, then the author's executors, or in the absence of a will, his next of kin shall be entitled to a renewal and extension of the copyright in such work for a further term of twenty-eight years when application for such renewal and extension shall have been made to the copyright office and duly registered therein within one year prior to the expiration of the original term of copyright: *And provided further*, That in default of the registration of such application for renewal and extension, the copyright in any work shall determine at the expiration of twenty-eight years from first publication.

clusion that Miss Ronell's contribution was work done for hire within the meaning of that term as it is used in the statute.[6] In view of this result we need not reach the issue of whether Miss Ronell's efforts were sufficient to make her an author, or whether she assigned her rights.

As this Court said in Shapiro, Bernstein & Co. v. Bryan, 123 F.2d 697, 700 (2d Cir. 1941), "when the employer has become the proprietor of the original copyright because it was made by an employee 'for hire,' the right of renewal goes with it, unlike an assignment." The rationale of this doctrine, which is embodied in Section 24, has been said to be "that the motivating factor in producing the work was the employer who induced the creation . . . ." Note, Renewal of Copyright—Section 23 of the Copyright Act of 1909 [now Section 24], 44 Colum.L.Rev. 712, 716 (1944). See also Brattleboro Publishing Co. v. Winmill Publishing Corp., 369 F.2d 565, 567 (2d Cir. 1966) ("there is a presumption . . . that the copyright shall be in the person at whose instance and expense the work is done."). In the present case appellant itself says in its brief that "arrangements were made through [Berlin] for a copy of the entire musical score of the

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[6]We may uphold the judgment on any theory which finds support in the record, regardless of the trial court's conclusions. Helvering v. Gowran, 302 U.S. 238, 245-246, 58 S.Ct. 154, 82 L.Ed. 224 (1937).

In reviewing a determination that a work was or was not done for hire, we are not bound by the "clearly erroneous" standard. Donaldson Publishing Co. v. Bregman, Vocco & Conn, Inc., 375 F.2d 639, 641 (2d Cir. 1967), cert. denied, 389 U.S. 1036, 88 S.Ct. 768, 19 L.Ed.2d 823 (1968).

film cartoon to be forwarded by Disney with the express intention of having Ronell create a popular song inspired by the cartoon."

The purpose of the statute is not be be frustrated by conceptualistic formulations of the employment relationship. In *Brattleboro Publishing Co., supra,* this Court held that advertisements designed and printed by a newspaper, obviously at the "instance" of the advertiser, were done for hire.[6] The Court expressly applied the statutory work for hire doctrine to the case of an independent contractor, 369 F.2d at 568, relying in part on Yardley v. Houghton Mifflin Co., 108 F.2d 28 (2d Cir. 1939), cert. denied, 309 U.S. 686, 60 S.Ct. 891, 84 L.Ed. 1029 (1940), where it was held that one who commissions an artist to paint a mural owns all rights to its reproduction. See also Dielman v. White, 102 F. 892 (C.C.D. Mass. 1900), which reached the same result, although the court expressly noted that the "subject of the design [was] largely [the designer's choice]." *Id.* at 892. See Lin-Brook Builders Hardware v. Gertler, 352 F.2d 298 (9th Cir. 1965).

Appellant argues that we have held that "an essential element of the employer-employee relationship, [is] the right of the employer 'to direct and supervise the manner in which the writer performs his work,' " *Donaldson Publishing Co., supra,* 375 F.2d, at 643, quot-

[6]That case involved a construction of the phrase "works for hire" in Section 26 of the Copyright Act, 17 U.S.C. § 26 (1970), but its reasoning is equally applicable to Section 24.

ing Nimmer, Copyright § 62.31 (1964) [now § 62.2 (1971)], and that that "right" is not found in the present case. However, the trial court found that employees of Berlin did in fact make some revisions in Miss Ronell's work. Moroever since Disney had control of the original song on which Miss Ronell's work was based Disney (and Berlin, with Disney's permission), at all times had the right to "direct and supervise" Miss Ronell's work.

The Court in *Donaldson, supra,* 375 F.2d at 643, listed as among the factors that show that there was no employment for hire, the absence of a fixed salary and the author's "freedom to engage in profitable outside activities without sharing the proceeds with" the alleged employer. *Id.* The absence of a fixed salary, however, is never conclusive, see *Brattleboro Publishing Co., supra;* Nimmer, Copyright § 62.2 (1971), nor is the freedom to do other work, especially in an independent contractor situation, *Brattleboro Publishing Co., supra. Donaldson* was quite different from the present case since it involved an author who was the dominant person in the corporation alleged to be his employer. In such a situation it could not be said that his work was done at the "instance" of the corporation.[7]

[7]Miss Ronell had previously composed works for Disney and Berlin, including "Mickey Mouse and Minnie's in Town" and "Silly Symphony." Appellant claims that Miss Ronell assigned in writing all her interest in these compositions. The absence of a writing in the instant case, however, does not suggest an intent to retain any rights; rather, especially in view of Miss Ronell's 27-year silence, it indicates that she assumed that she had no claim that would need to be assigned.

In short, the "motivating factors" in the composition of the new song, "Who's Afraid of the Big Bad Wolf," were Disney and Berlin. They controlled the original song, they took the initiative in engaging Miss Ronell to adapt it, and they had the power to accept, reject, or modify her work. She in turn accepted payment for it without protest, except as to the amount, for 27 years. That she acted in the capacity of an independent contractor does not preclude a finding that the song was done for hire. We so find, and therefore the right to renew the copyright in the song in 1960 accrued exclusively to appellee, the "proprietor."

Affirmed.

OAKES, Circuit Judge (concurring):

I concur in the result.

APPENDIX D.

United States Court of Appeals, Second Circuit.

Picture Music, Inc., Plaintiff-Appellant, v. Bourne, Inc., Defendant-Appellee. 71-1222.

A petition for a rehearing having been filed herein by counsel for the appellant,

Upon consideration thereof, it is

Ordered that said petition be and it hereby is denied.

/s/ Paul R. Hays
/s/ James L. Oakes
/s/ T. Emmet Clarie

May 25, 1972.